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Approved For Release 2001/08/13 : CIA-RDP78B04747A000500010053-5

10 August 1964

MEMORANDUM FOR: Chairman, Technical Development Committee
THROUGH : Executive Secretary, TDC
SUBJECT : Staff Study - Overrun on 3X-12X Enlarger Contract
REFERENCE : [REDACTED]

PROBLEM:

25X1A Payment of revised overrun costs incurred by [REDACTED] during
25X1A performance of [REDACTED]

FACTS:

25X1A Original proposal dated 10 January 1962 from [REDACTED] stated
25X1A preference for a CPFF contract - the following stated verbatim, the preliminary
25X1A cost less lens is [REDACTED] estimated. A "Statement of Cost and Fee on Pro- 25X1A
posal of 10 January 1962" revised the total estimated cost and fee to [REDACTED]
25X1A [REDACTED] A CPFF contract was effected as of 15 June 1962, for [REDACTED]

DISCUSSION:

25X1A During the manufacture of this enlarger, various changes were suggested
by the contract monitor and incorporated into the instrument. An initial
25X1A estimate of cost for the changes was approximately [REDACTED] as stated in a 25X1A
25X1A letter from [REDACTED] on 27 May 1963. A letter dated 25 June 1963 revised
25X1A this estimate however, to [REDACTED] and this was followed by another letter
dated 19 July 1962 giving a cost breakdown resulting in a total (grand
total) of [REDACTED]. An evaluation of the cost of the changes incorporated
in the instrument was made by the contract monitor on 30 September 1963.
The evaluation stated essentially that the costs were more than one would
expect for the work accomplished and that is resolving whether the claimed
charges are or are not correct it would be quite difficult to make a precise
judgement without an auditor's help.

25X1A The Office of Logistics has now completed an audit of the contract and
has agreed that a cost of [REDACTED] is a legitimate settlement fee. Action
on this contract through the TDC is now requested for settlement of the
overrun.

Declass Review by NIMA / DoD

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GROUP 1
Excluded from automatic
downgrading and declassification

RECOMMENDATIONS:

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It is requested that the amount of [REDACTED] be paid to [REDACTED] in payment of overrun for Contract [REDACTED] This amount is the difference between the original contract sum of [REDACTED] and the audit of [REDACTED]

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[REDACTED]

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Development Branch, P&DS

Research and Development
Project Approval Request

I. Identification

25X1A The Plans and Development Staff proposes the modification of the 3X to 12X Magnification Precision Enlarger Model No. PD 1304. This project will cost [REDACTED] and is included in the FY-65 Class 700 Detail Sheet under Category IV - Reproduction and Processing Equipment, Improving Design of Existing Printing and Processing Equipment. An additional amount of [REDACTED] should be allotted for installation and calibration of the enlarger.

25X1A II. Objectives

The proposed modifications will improve the operation of the enlarger both mechanically and electrically, and in addition facilitate its use under darkroom conditions.

III. Background

25X1A The mechanical operation of this instrument has been very difficult due to poor design. Electrical components have been troublesome and viewing the projected image on the easel was almost impossible. There is one major recommendation for this instrument and that is its capability to reproduce on-axis enlargements at 3X to 12X magnification. It serves to fill the gap between the capabilities of the [REDACTED] VG-1 Enlarger and the [REDACTED] 10-20-40X Precision Enlarger. The 3X to 12X enlarger will provide an interim capability for approximately one year at which time it can be replaced with a much more precise, on-axis enlarger now under study at the [REDACTED]

25X1A IV. Technical Specifications

Requirements covering the extent of the mechanical and electrical/electronic modifications are as follows:

- a. Redesign of the film transport mechanism
- b. Redesign glass supports for access during cleaning
- c. Provide a condensor and 45° mirror sliding support
- d. Provide hinged outrigger supports and locks for film spools
- e. Add a simple footage counter for determining x and y frame positions

- f. Provide a rotating filter holder under the lens
- g. Increase the capacity of electrical/electronic components
- h. Replace film drive motors with stronger ones
- i. Repaint easel surface a flat white with blue limiting tick marks for paper and film registration.
- j. Increase vacuum hold-down by providing larger vacuum pump.

V. Contractor and Financial Arrangements

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[REDACTED] manufactured the enlarger and is intimately familiar with the problems associated with this instrument. Because of the limited time available for the necessary modifications, it was decided that this company would complete the proposed modifications in the least time. No other source has been considered. The modifications required should be completed in approximately sixty days; therefore, since no research is required, the contract should be made on a fixed-price basis. To accomplish all of the modifications, a cost of [REDACTED] is proposed. The installation and calibration charge of [REDACTED] per hour is based on three working days (24 hours) which totals an additional [REDACTED]. Total cost of the contract should be approximately [REDACTED].

VI. Coordination

Conferences were held with [REDACTED] personnel of the Production Services Division, NPIC and with personnel of the Development Branch, P&DS/NPIC. Modifications desired therefore provide for a better instrument design.

VII. Security

This contract has been conducted on an unclassified basis. No change in this status is requested; [REDACTED]

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